

(Washington, DC) – Today, Congressman Tim Ryan (OH-17) joined members of the Ohio Delegation – including Senator Sherrod Brown and Representatives John Boccieri, Steve Driehaus, Marcia Fudge, Marcy Kaptur, Mary Jo Kilroy, Dennis Kucinich, Betty Sutton, and Charlie Wilson – In a news conference highlighting tax relief for working Ohio families ( [video](#) ).

This year, Americans are receiving significantly higher refunds, with an average increase of 10 percent. According to the Citizens for Tax Justice, fully 99 percent of Ohio families are paying fewer taxes under this Administration. Tax relief initiatives in the American Recovery and Reinvestment Act include: benefits for families raising children, buying new homes and cars, making energy efficient improvements, investing in equipment, and receiving unemployment insurance.

**“The way to improve the economy is to cut taxes for small businesses and working families,”** stated Congressman Ryan. **“The supply-side policies of the mid-1980s have eroded our local manufacturing base, weakening the middle class. A return to demand-side economics will increase demand for products and therefore increase business investment and job creation.”**

The Congressman added, **“A full recovery is going to take time, but you don’t wait your way out of an economic crisis. You work your way out. And we’re beginning to see results: a rebounding stock market, increased job creation, and more money put into the pockets of the average American. This Congress and Administration are returning our country to economic policies that create demand and benefit the middle-class. Demand-side economics served our country well between post-World War II and 1980. And we are going to return to that model.”**

At the press conference, members of the Delegation focused on the following tax relief initiatives:

In the past year, Democrats have provided nearly all Americans with reduced taxes. A new study shows that the middle-class tax cuts included in the Recovery Act saved taxpayers an average of \$1,158 on their tax returns this year. And every working and middle-class family and individual in the bottom 80 percent of income earners received a tax cut. This analysis counts the making work pay tax credit, which is available to over 94 percent of all working families and individuals; changes to the child credit; an increase in the earned income tax credit; relief from the alternative minimum tax; and a new, partially refundable education credit. [Citizens for Tax Justice, [4/13/2010](#)]

Refundable home buyer credit. The Recovery Act eliminated the re-payment obligation for a refundable tax credit that was equivalent to an interest-free loan equal to ten percent of the purchase of a home (up to \$7,500) by first-time home buyers. ARRA also increased the maximum value of the credit to \$8,000, removed the prohibition on financing by mortgage revenue bonds, and extended the availability of the credit to homes purchased before December 1, 2009.

Energy efficiency and renewable energy incentives. Under the Recovery Act, taxpayers are

eligible for up to \$1,500 in tax credits for making energy-efficient improvements to their homes, such as adding insulation and installing energy efficient windows.

New vehicle purchases. Taxpayers can deduct the state and local sales taxes they paid for new vehicles purchased from February 17, 2009 through December 31, 2009 under the vehicles sales tax deduction. In states that don't have a sales tax, some other taxes or fees may be deducted;

Temporary suspension of taxation of unemployment benefits. A temporary suspension of the federal income tax on the first \$2,400 of unemployment benefits per recipient in taxable year 2009. The average unemployment benefit is approximately \$300 per month; and

Expansion of 529 education plans. The list of qualified education expenses eligible to be funded from 529 tax-advantaged savings plans was expanded to include computers and computer technology.

The American Workers, State, and Business Relief Act (H.R. 4213, amended), which the Senate passed in March, would extend several tax provisions that expired at the end of 2009, providing much needed tax relief for individuals and businesses during this time of economic uncertainty. This includes tax cuts:

- For teachers who buy classroom supplies out of their own pockets, so they can continue to provide quality education for tomorrow's workforce;
- To help families afford college tuition, so our young people can get the world-class education they deserve without going broke;

- To help families make homes more energy efficient and save money on utility bills while supporting jobs in the growing energy sector; and
- To allow taxpayers to continue to deduct state sales tax on their federal tax returns, so families can continue to use the tax deductions they count on.

Business incentives to create jobs will reduce taxes by \$10 billion over 10 years. Tax incentives supported by the Chamber of Commerce and National Association of Manufacturers include:

- *Bonus Depreciation*: Helps businesses quickly recover costs of new capital investments by extending the increased bonus depreciation for businesses making investments in new plants and equipment in 2009.
- *Small Business Expensing*: Spurs small business investment by extending small business expensing, doubling the amount small businesses can immediately write off their taxes for capital investments and purchases of new equipment made in 2009 (\$125,000 to \$250,000). This write-off phases out completely for investments over \$800,000 (up from \$500,000).
- *Buying Back Debt*: Provides assistance to companies looking to reduce their debt burdens by delaying the tax on businesses that have discharged indebtedness, which will help these companies strengthen their balance sheets so they can invest in job creation.
- *Small Business Loss Carrybacks*: Increases cash flow for small businesses by providing a 5-year carryback of net operating losses (NOLs). This would allow many small businesses to write off losses incurred in 2008 against taxes assessed over the previous 5 years (current law limits NOL carryback to the previous 2 years), thereby reducing their taxes this spring.
- *Small Business Investment*: Spurs investments in small businesses by cutting the capital gains tax on investors in small businesses who buy stock (in the next two years) and hold it for more than five years.
- *Jobs for Recently Discharged Unemployed Veterans and Disconnected Youth*: Creates jobs with business tax credits for hiring recently discharged unemployed veterans who have been out of work or youth who have been out of school for 6 months prior to hire.
- *Hiring Incentives to Restore Employment (HIRE) Act*: a bipartisan bill that will create 300,000 jobs with a payroll tax holiday for businesses that hire unemployed workers and an income tax credit of \$1,000 for businesses that retain these employees. This legislation will unleash tens of billions of dollars to rebuild our infrastructure and strengthen small businesses with tax credits and accelerated write-offs, enabling them to expand and hire.

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